

ITTF POLICY STATEMENT 2012 (1)

TO: U.S. Department of Homeland Security, Federal Preparedness Fund Sub-recipients

FROM: Jonathon Monken, Director
Illinois Emergency Management Agency 

DATE: May 22, 2012

SUBJECT: Illinois Terrorism Task Force Policy Statement Regarding Sub-Recipient Monitoring
(to supersede ITTF Policy Statement 2010 (2))

INTRODUCTION

Governor's Executive Order 2003 (17) created the statewide homeland security advisory committee, the Illinois Terrorism Task Force (ITTF). The ITTF is responsible for developing and helping to implement the state's homeland security strategy as an advisory body to the Governor and overseeing the management and administration of federal preparedness grants. The task force continues to build upon a strong foundation of established working partnerships among its over 60 members, which represent all public safety agencies and associations and every community in Illinois.

GENERAL POLICY STATEMENT

A recipient of Illinois Emergency Management Agency (IEMA) administered federal preparedness grant funding (referred to as the "sub-recipient") has full responsibility for the conduct of the project or activity supported and for the results achieved. The sub-recipient must monitor the performance of its project to assure adherence to performance goals, time schedules or other requirements as applicable to the project or the terms of the grant agreement or interagency agreement.

It is IEMA's policy, as defined in OMB Circulars A-133 and A-87, to provide necessary involvement between itself and the sub-recipient in the performance of a project to ensure the achievement of programmatic objectives approved by the ITTF and administered by IEMA consistent with the Illinois homeland security strategy and to ensure conformance with requirements of the federal grant guidance, appropriate state requirements, ITTF and IEMA policies, and terms and conditions of the grant agreement or interagency agreement.

Sub-recipient monitoring is a process whereby the programmatic progress and financial and business management aspects of a financial assistance award are reviewed by assessing information as outlined in the IEMA Federal Preparedness Sub-Recipient Monitoring Plan. For purposes of this policy, monitoring is defined as a combination of reporting, site visits, and regular contact. IEMA requires financial assistance sub-recipients to have adequate management systems to ensure that project objectives are met and funds



are spent and accounted for properly. To the extent possible, financial assistance award monitors rely on the management systems of the financial assistance sub-recipients to meet project objectives, comply with award terms and conditions, and account for funds. As outlined in grant guidance, the Urban Area Working Group is responsible for coordinating the development and implementation of all program initiatives in the defined Urban Area.

IEMA FEDERAL PREPAREDNESS GRANT SUB-RECIPIENT MONITORING PLAN

To ensure the sub-recipient achieves programmatic objectives approved by the ITTF and administered by IEMA consistent with the Illinois homeland security strategy, and to ensure conformance with requirements of the federal grant guidance, appropriate state requirements, ITTF and IEMA policies, and terms and conditions of the grant agreement or interagency agreement, IEMA has established the following three-part sub-recipient monitoring plan for all financial assistance awardees:

1. Reporting: Reviewing financial and performance reports submitted by the sub-recipient.

Pre-reimbursement Review

IEMA provides funds to sub-recipients on a reimbursement basis only. This means the sub-recipient must have already incurred the expense and submitted to IEMA proper documentation (complete vendor invoice), which is immediately audited for adherence to federal and state rules and regulations that govern the grant program before any funds are drawn from the U.S. Treasury and payment issued. The IEMA Program Manager or his/her designee performs a review process comparing the reimbursement claim to the approved grant application to ensure compliance. Pre-reimbursement review is also conducted at the invoice vouchering level and at the IEMA Bureau of Fiscal Management prior to the disbursement of federal funds.

Submission of Bi-Annual Strategy Implementation Report (BSIR)

Upon request throughout the stated performance period, sub-recipients will submit to IEMA documentation to support the submission of BSIR. The documentation must include, at a minimum, the amount of funding received, obligated and expended for activities outlined in the Scope of Work, Discipline Allocation Worksheet, and Project Metric Worksheet.

Review of A-133 Single Audits

IEMA will ensure that sub-recipients are in compliance with the audit requirements as set forth in OMB Circular A-133 for sub-recipients of federal preparedness funds through IEMA. OMB Circular A-133 requires that, as of their 2005 fiscal year, any state or local government or not-for-profit agency that expends more than \$500,000 from federal sources must have a Single Audit completed by an independent auditing firm. The IEMA grant agreement or interagency agreement states the funds received are federal and that the requirements of OMB Circular A-133 apply. Correspondence will be sent by IEMA to sub-recipients that fail to comply with submission deadlines. IEMA will ensure that sub-recipients have adequately resolved any audit findings related to IEMA funding in accordance with federal and state requirements.

Monitoring of National Incident Management System (NIMS) Compliance

Sub-recipients are required to fully implement all current NIMS compliance activities in accordance with Homeland Security Presidential Directive 5 (HSPD-5), *Management of Domestic Incidents* and related compliance documentation provided by the Secretary of Homeland Security and State of Illinois. The sub-recipient grant agreement or interagency agreement requires that compliance documentation is on file with IEMA. IEMA also will annually verify the NIMS compliance status of all prospective sub-recipients.

2. Site Visits: Performing site visits of the sub-recipient to review financial and programmatic records and observe operations.

On-site Visits

Staff designated by IEMA may conduct on-site visits as necessary to ensure the accuracy of the documentation submitted. Sub-recipients are required to maintain proper records on the acquisition and management of property that meets the definition established in the current ITTF policy regarding equipment purchased with federal funds. On-site visits may include review of financial and programmatic records. On-site visits will be conducted for those sub-recipients that have been evaluated as higher risk by IEMA.

3. Regular Contact: Regular contacts with sub-recipients and appropriate inquiries concerning program activities.

Contact Information of Authorized Representative for Sub-recipient

Each sub-recipient is required to provide IEMA with detailed contact information for its authorized representative. This information includes the individual's name, title, mailing address, phone number, fax number, and email address. The sub-recipient is required to update this information as changes occur. At least annually throughout the period of performance, IEMA will verify the information for the authorized representative.

On-going Technical Assistance and Communication

The IEMA Program Manager or his/her designee for each federal preparedness grant regularly provides technical support and guidance to sub-recipients via telephone, email, on-site visits and/or participation in sub-recipient conferences/organizational meetings to ensure compliance with federal and state programmatic requirements. In addition, each ITTF committee provides a verbal and written status report for programmatic activities for which their committee recommended funding at the ITTF monthly meetings. Each ITTF committee also develops an annual written report on programmatic activities overseen by the committees. The IEMA Program Manager or his/her designee will have more frequent contact with sub-recipients if it is determined there may be a problem with their compliance with the terms of the grant agreement or interagency agreement (legal obligation between IEMA and sub-recipient).

Validation of Statewide Interoperable Response Teams

The ITTF or its designee will monitor the capability and validate the readiness of statewide interoperable response teams by periodically conducting comprehensive Homeland Security Exercise and Evaluation Program (HSEEP) compliant exercises.

Programmatic Reviews

Throughout the period of performance, IEMA will conduct internal programmatic reviews of all documentation submitted to ensure the sub-recipient is complying with the terms of the grant agreement or interagency agreement. IEMA may also conduct on-site monitoring visits of sub-recipients as necessary to ensure they have policies and procedures in place for compliance with OMB Circular A-133, property control, federal Financial Management Guide, and 44 CFR 13.

METHODOLOGY FOR SELECTION OF SUB-RECIPIENTS FOR MONITORING

According to OMB Circular A-133, a pass-through entity is required to monitor the activities of sub-recipients as necessary to ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

IEMA has developed the following methodology to select which sub-recipients will be monitored each state fiscal year.

1. Sub-recipients whose Single Audits resulted in findings related to the disbursement of federal preparedness funds received through IEMA.
2. Sub-recipients whose jurisdictional Single Audit was submitted over 90 days late to IEMA.
3. Based on sub-recipients' expenditures of federal preparedness funds during the prior state fiscal year. IEMA will perform monitoring of major programs that expend over \$100 thousand in federal preparedness funds through IEMA.
4. Random sampling from among sub-recipients not meeting the criteria of items 1, 2 or 3 that have received prior federal preparedness funds.

Once the list of sub-recipients to be monitored is established, a sub-recipient monitoring schedule will be developed. The schedule will include the jurisdiction, month of the on-site monitoring visit if necessary, and the type of monitoring to be performed.

EFFECTIVE DATE OF POLICY

This policy is effective immediately.